FROM CRISIS TO CONSENSUS

The United Nations and the Challenge of Development

UNITED NATIONS

This is the keynote speech delivered by Mrs. Thérèse P. Sévigny, UN Under-Secretary-General for Public Information, at the 1990-91 inaugural conference of the University of Ottawa's Institute for International Development and Co-operation on 14 November 1990. The speech sums up the important breakthroughs the United Nations has achieved in the contentious negotiations on seemingly intractable issues such as Third World debt, the link between environment and development, and the social and political cost of structural adjustment programmes.

I want to address you today on development and the role the United Nations is playing in this vital area. There are two things I particularly want to emphasize. First, development issues confront us all, for development is about enhancing the quality of life. We have a hand in determining not just the quality of our own life, but as producers and consumers, also that of others, in the most distant lands. Our growing awareness of how interconnected we are in every facet of life — be it environment, AIDS, drugs or trade — is making both individuals and nations more responsible world partners. In addition, this growing awareness of interconnectedness and the end of the Cold War have meant that the United Nations will play a critical role in most of the major world developments as they unfold. Even a year ago, for example, no one could have imagined that the Security Council would play the central role in the Gulf crisis.

"We cannot forget that while the iron curtain has been brought down, the poverty curtain still separates two parts of the world community."

Javier Pérez de Cuéllar, UN Secretary-General

This leads to the second point I wish to emphasize. Despite the euphoria which has greeted the end of the Cold War, there is no guarantee that the vital new spirit of co-operation among the superpowers will automatically extend to relations between all regions and nations, and more important, to the resolution of pressing international **economic** concerns. As the Secretary-General so simply and eloquently said in his U.N. Day message last month, "We cannot forget that while the iron curtain has been brought down, the poverty curtain still separates two parts of the world community."

Most of the members of the United Nations are in fact on the wrong side of this curtain. The world body, therefore, has a crucial role to play in ensuring that the reduction of ideological tensions and arms expenditures translates into increased attention and resources for tackling the development crisis that is a source of widespread human suffering as well as a threat to peace. Given the profound changes that we have recently witnessed, I think it is possible to say that the United Nations **will** be able to play this role.

The world has come to look upon the United Nations anew, seeing it, once again, as the global institution which can provide both the vision and the mechanisms for reducing global tensions, promoting peace and ensuring that the other collective concerns of humanity enshrined in the United Nations Charter are addressed. In Namibia, in

Central America, in Afghanistan, in Cambodia and in so many other regions where nations in contention, as well as their major-power backers, were fearful of yielding to the other, the United Nations has provided the spirit and the instruments for moderation, conciliation and compromise.

The easing of these regional tensions, while reflecting in part the diminishing antagonisms of the superpowers, helped break down the barriers of suspicion that separated the two blocs, and usher in the changes that swept across Europe and buried the Cold War. The changes have further enhanced the role the United Nations will play in resolving conflicts.

Maintaining and promoting peace among nations is the most visible, but not the only responsibility entrusted to the United Nations. The organization's second mandate is supporting economic and social development in the developing countries. And in this area, unfortunately, there is no "new world order" that we can boast of. Indeed, national and international efforts to reduce poverty and narrow the gap between the rich, industrialized North and the poor, developing regions of the South failed abysmally in the last decade.

During the 1980s, the Western industrialized powers enjoyed their longest continuous period of sustained economic growth since the Second World War, and a handful of other, mostly Asian, countries industrialized at a pace never experienced before. But we witnessed also the unfolding tragedy of hundreds of millions of the world's poorest people falling deeper into the despair of poverty. "A lost decade" is how the U.N.'s Economic Commission for Africa put it last year.

Let me just give you a few examples:

- 54 out of 84 developing countries whose economic performance was examined by the U.N. Department of International Economic and Social Affairs had falling per capita income in the 1980s. In 14 countries, it fell by over 35 per cent. One can imagine the impact such a fall in income had for people already living so close to the edge.
- In the 13 years, 1975-1988, developing country debt rose from $170 billion to $1,200 billion.
- In 1986 alone, Africa lost $19 billion — much more than it received in assistance — from the fall in prices of its commodity exports.
- Development assistance from industrialized countries fell from an already below-target level of 0.37 per cent of GNP in 1980 to 0.33 per cent in 1989.

The United Nations is once again forging consensus on vital economic issues which previously provoked contentious and even bitter debate.

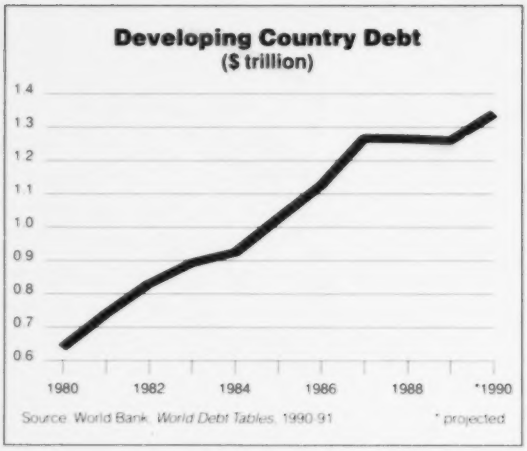
Despite these distressing reverses, I think it would be fair to say that the mood at the United Nations about development prospects in the 1990s is not gloomy. Indeed, the gathering of 71 world leaders at the recent World Summit for Children at the United Nations — in which Canada played a pioneering role — was a stunning display of the emerging global awareness of how important development issues are to world peace and security. Because of this awareness, the U.N. is very close now, for the first time in two decades, to forging consensus on many of the vital issues that bear on the economic well-being of developing nations.

That it might be able to do so is, again, a result of the radically improved negotiating environment at the United Nations. Although not as noticeably as in the political arena, we have seen in the 1980s the end of an era which was marked by confrontation, accusation and the absence of agreement on fundamental economic issues.

The end of the Cold War, as Albert O. Hirschman said last month in a fascinating essay in the *New York Review of Books*, is also seeing developing nations adopt a much more positive stance about themselves as they seek assistance or investment — "it now becomes more attractive to be attractive, to discover that one is doing better than anyone had thought". The East-West struggle, he asserts, had made many developing countries emphasize their desperate straits rather than their strengths. That was expected to secure the support of their respective superpower, or to awaken compassion in the rich. With the Cold War over and the rich increasingly

concentrating on Eastern Europe and the other regions with ready economic potential, there is a great deal of incentive now for countries to aggressively portray the return that is likely on aid or investment.

To talk of co-operation and pragmatism is not to say that developing countries do not still want major changes in the world's economic and information and communication orders. They do. Now, however, these are not being demanded as a right, but are being negotiated in various U.N. special sessions, committees and development strategy agreements. And in these discussions, developing countries are not afraid of acknowledging policy errors of their own.



In this new atmosphere of improved co-operation between the industrialized and developing countries, the United Nations has been able to formulate a number of proposals on key economic issues which are recognized to be central to overcoming the obstacles which hinder economic growth in much of the world. No doubt you will recall that there was a time when proposals from many United Nations agencies were regarded by the West as being hopelessly biased in favour of developing countries, or totally unworkable.

Not any more. The actions proposed by the United Nations Conference on Trade and Development (UNCTAD) to resolve the Third World debt crisis; the arguments by the United Nations Children's Fund (UNICEF), the United Nations Development Programme and the Economic Commission for Africa that donor-supported structural adjustment programmes will only succeed if they focus on meeting human needs rather than simply macro-economic targets; the pioneering work of the United Nations Environment Programme in linking global environmental issues and poverty-eradication — all of these are now recognized for having identified major weaknesses in international policy orientations.

As I said earlier, these are emerging North-South agreements, but they have yet to make any significant dent in the lot of the world's poorest. For at least a billion of our people, or one-fifth of humanity, obtaining the most essential elements of social sustenance — food, health care, shelter, jobs, education — continues to be an everyday struggle. The world's poorest, in fact, got poorer in the 1980s.

This reality is made all the more unacceptable, to them and to us, when one looks at the wealth of our developed market economies, where per capita incomes are 50 times — yes, 50 times — greater than in the least developed countries.

Daunting as the challenge of development for such a large proportion of humanity might seem, it is important to keep in mind that in previous generations, the prospects for improving the situation in many parts of the world, especially in large countries such as China in the late 1940s and India in the early 1960s, were also considered most improbable. The two still have numerous economic and social problems, but they nevertheless have become powerful countries with growing economies.

Causes for concern in a changing world

We also tend to forget that, recent adversity aside, in the last 30 years developing countries as a whole have made strides in many areas that took industrialized countries nearly a century to achieve. For example, average life expectancy of 61 years in the developing world has increased by 16 years since 1960 and is now 80 per cent of life expectancy in industrialized countries. Adult literacy has risen by 40 per cent, and is now two-thirds of the industrialized country average. Nutritional levels have risen by over 20 per cent, and child mortality rates have been reduced by half.

Immunization is a major factor in this fall in child mortality. By the end of the 1980s, vaccines had reached two-thirds of all children in developing countries. The result is that some two million young lives are saved every year. But another three million children are still dying because they have not been immunized. They are also dying

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because their economic condition makes them vulnerable to common diseases that could be prevented.

When we relate the scope and pace of achievement in a few areas to the means at our disposal, we have cause to be concerned. For this is a time of rapid technological change, and stunning progress in human achievement. Yet there is growing disparity in the world. The gap between the haves and the have-nots of the world is growing faster and wider.

The fact is that much more needs to be done to ensure that the majority of the world's people derive greater benefit from the expanding sum of human knowledge and capabilities. For example, only 5 per cent of global spending on health research is aimed at the health problems of developing countries. Yet these countries have 80 per cent of the world's population, and 90 per cent of the toll of illness and disability.

In a period when telecommunications can link up distant parts of the planet in an instant, there are 31 developing countries or territories today that have no television service, and 34 which lack a general-interest daily newspaper. Some 900 million adults in developing countries are illiterate, and roughly 100 million are without shelter, let alone radios and television sets.

While prosperity is increasing in industrialized countries and some parts of the developing world, there are now, and there will still be by the year 2000, around 1 billion people in developing countries living in absolute poverty.

The statistics of the global divide are striking. Some 70 per cent of world income is produced and consumed by 15 per cent of the world's population. In the 41 least developed countries, average per capita income is well under $300, in sharp contrast to the $14,500 average of developed market economies. In Latin America, living standards are lower today than they were in the 1970s. The situation is even worse in Africa where living standards have fallen to the level of the 1960s. Each year in the developing world, 14 million children die before their fifth birthday, and another 150 million children under five are malnourished.

Poverty is inimical to peace

But unfortunately, that is not all: the lot of the world's poorest, overburdened as it was in the 1980s, is projected by the U.N. to deteriorate even more in the 1990s, just as the already unconscionable gap between the industrialized and developing countries is also projected to widen. **Unless, of course, the emerging consensus at the United Nations on the tough economic issues of debt, financial flows and policy reforms is consolidated and translated into action.** If it is not, then a lot more than consensus is at risk.

The widening poverty gap, both within nations and internationally, is inimical to peace. The world is currently moving at two wildly divergent speeds that threaten to tear apart the "new world order" that super-power and regional political agreements are ushering in. Indeed, the failure of development policies to protect the world's poorest meant that in the last decade alone, more human beings lost their lives as a result of economic and social deprivations than were killed in the Second World War and all the other conflicts since.

Deepening poverty is already leading to mounting instability. The widespread unrest, turmoil and violence which is now afflicting an unprecedented number of countries is linked by the one common thread of growing economic malaise, regardless of the ethnic or political guises it adopts. In Liberia, in Rwanda, in the Horn of Africa, in Myanmar, India and Pakistan, in El Salvador and Haiti, poverty is the tinder which ignites the resentments and fears that all people and all communities harbour.

On the whole, these economic threats to stability have been national in character, sometimes spilling across frontiers. But more and more, these national and regional disturbances will directly affect the industrialized countries.

As the Secretary-General stated in his annual review of world events in September, the stresses emanating from the "East-West ideological differences are being replaced by the threat of global and regional tensions due to economic and social factors". He referred to the Gulf crisis as an explicit example of the potent force with which

NET OFFICIAL DEVELOPMENT ASSISTANCE (ODA) DISBURSEMENTS TO DEVELOPING COUNTRIES & MULTILATERAL AGENCIES

	1978-80 Avg.		1986		1987		1988		1989	
	$mn	%of GNP	$mn	%of GNP	$mn	%of GNP	$mn	%of GNP	$mn	%of GNP
Australia	628	0.52	752	0.47	627	0.34	1101	0.46	1020	0.38
Austria	154	0.23	198	0.21	201	0.17	301	0.24	283	0.23
Belgium	591	0.54	547	0.48	687	0.48	601	0.39	703	0.46
Canada	1064	0.47	1695	0.48	1885	0.47	2347	0.50	2320	0.44
Denmark	443	0.72	695	0.89	859	0.88	922	0.89	937	0.94
Finland	85	0.20	313	0.45	433	0.49	608	0.59	706	0.63
France	3439	0.60	5105	0.70	6525	0.74	6865	0.72	7450	0.78
Germany	3102	0.42	3832	0.43	4391	0.39	4731	0.39	4949	0.41
Ireland	28	0.18	62	0.28	51	0.19	57	0.20	49	0.17
Italy	444	0.13	2404	0.40	2615	0.35	3193	0.39	3613	0.42
Japan	2751	0.27	5634	0.30	7342	0.31	9134	0.32	8949	0.32
Netherlands	1392	0.90	1740	1.01	2094	0.98	2231	0.98	2094	0.94
New Zealand	65	0.33	75	0.30	87	0.26	104	0.27	87	0.22
Norway	423	0.90	798	1.17	890	1.09	985	1.13	917	1.04
Sweden	911	0.85	1090	0.85	1375	0.88	1534	0.86	1799	0.97
Switzerland	213	0.22	422	0.30	547	0.31	617	0.32	558	0.30
United Kingdom	1825	0.43	1737	0.31	1871	0.28	2645	0.32	2587	0.31
United States	5829	0.24	9564	0.23	9115	0.20	10141	0.21	7659	0.15
Total DAC††	23387	0.36	36663	0.35	41595	0.35	48117	0.36	46680	0.33
USSR	*2313	n.a.	4086	n.a.	4473	n.a.	4206	n.a.	3900	n.a.
Other C. & E. Europe	*514	n.a.	516	n.a.	537	n.a.	520	n.a.	400	n.a.
Total C. & E. Europe	*2827	n.a.	4602	n.a.	5010	n.a.	4726	n.a.	4300	n.a.
Algeria	*81	*0.20	114	0.19	39	0.06	13	0.02	41	n.a.
Iraq	*864	*2.36	-21	-0.05	-37	-0.08	-28	-0.05	37	n.a.
Kuwait	*1140	*3.52	715	2.89	316	1.20	108	0.40	169	†0.54
Libya	*376	*1.16	68	0.33	63	0.25	129	0.52	82	n.a.
Saudi Arabia	*5682	*4.87	3517	4.67	2888	3.88	2048	2.64	1171	†1.46
United Arab Emirates	*1118	*4.06	87	0.40	15	0.06	-17	-0.07	25	†0.10
Total Arab Donors	*9539	*3.26	4498	1.81	3284	1.24	2257	0.85	1526	n.a.
Grand Total	35475	n.a.	45745	n.a.	49889	n.a.	55096	n.a.	52505	n.a.

Source: Organization for Economic Co-operation and Development. n.a. = not available * = 1980 figures † = projected ††=OECD Development Assistance Committee

an essentially economic issue assumes international security dimensions.

Clearly, we live in an increasingly interdependent world, and we are becoming increasingly aware that environmental degradation, communicable diseases, and religious passions know no national boundaries. But there continues to be an inadequate understanding of how the policies and economies of the industrialized countries affect the fortunes of the developing world.

Exploring and rationalizing these linkages is therefore a priority of the United Nations, and in 1990 alone two major initiatives were undertaken to bring the two parties closer together. The first was in April at the Special Session on International Economic Co-operation which focused on revitalizing growth and socio-economic development in developing countries. The second is the current formulation of the International Development Strategy for the 1990s, which is the United Nations Fourth Development Decade.

Through these two exercises, more is known and acknowledged now of how developing countries are affected by the industrialized world's trade and tariff policies, their subsidies to farmers, their interest rate levels, their movement of finance and technology, their rapidly shifting economic priorities, and their aid policies.

Those developing countries in a position to understand and take advantage of developments in the industrialized economies did move forward quickly in the 1980s, most notably South Korea, Singapore, Taiwan and Hong Kong — so much so that they are now dynamic competitors of the world's most advanced economies. India, Pakistan, Indonesia, Malaysia, China, and arguably, to a lesser extent, Brazil and Egypt also recorded steady economic gains in the 1980s.

But these are only a handful of the world's 120 or so developing nations, and clearly we cannot be satisfied with this state of affairs. We need to do more, much more, to help the majority replicate the successes. Experts have warned, however, that it is simplistic to believe that the policies of the thriving, mainly Asian developing countries can be models for the rest. Patterns of colonization, the level of workers' skills, the state of physical infrastructure — these and a complex of other reasons ensure that the majority of developing countries are structurally incapable of quickly responding to the international economic environment. At the same time, as the interests of the industrialized countries become more sharply focused on economically strategic regions such as Eastern Europe and the Pacific Rim, their policies, paradoxically, become more tough-minded.

In the circumstances, the United Nations is the one institution which can ensure that the pressing concerns of the struggling nations continue to be addressed, that the sharp disparities between the rich and poor are softened.

To begin to tackle this great and explosive divide, the General Assembly Special Session on International Economic Co-operation last April agreed that there were a handful of key issues that needed to be urgently tackled.

The debt crisis is one such priority. There is no better indication of the current plight of developing countries in this last decade of the 20th century than the debt crisis and its relationship to financial flows. The external debt of developing countries has mushroomed from $170 billion in 1975 to $1,200 billion today.

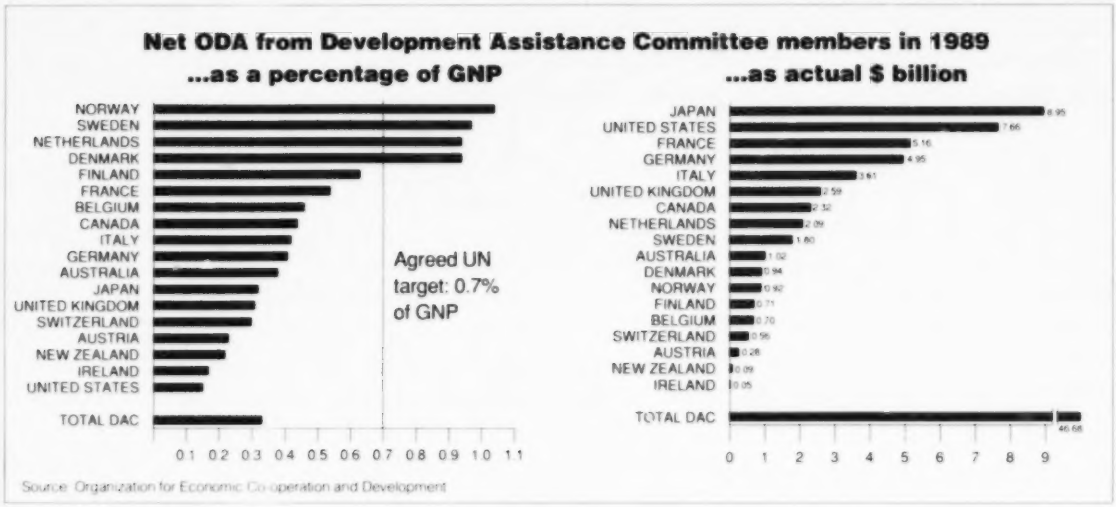
Let me give you a simple example of the havoc developing country debt plays with people's lives. Zambia had a growing economy in the 1960s and early 1970s, based on income from its major export, copper. Then, copper prices plummeted. Zambia borrowed, and the international community lent, money to make up the shortfalls in revenue, thinking the price collapse to be temporary. But it wasn't temporary: copper prices continued to fall, and Zambia's debt mushroomed — from 40 per cent of GDP in 1975 to 400 per cent of GDP by 1986, or about $6 billion.

The United Nations system has been in the forefront in gaining international support for debt reduction by pointing out its impact on economic growth in both developing and industrialized countries, and on social services for the poor.

By that time, Zambia's annual scheduled debt service payment had gone up to $900 million — equivalent to 95 per cent of all its export earnings. That meant that if it paid its obligations, it would have no money at all for its vital imports, which are the basis of much of its economy, and which also include essentials like food, fertilizer, and medicines. So the government was in a position neither to adequately service its debt, nor to provide the variety of essential services for health, education, agriculture, etc., at anywhere near the level the people required. At the same time, Zambia was forced to substantially increase prices on essential items like food. As you know, this led to major riots across the country, resulting in loss of life and a break with the International Monetary Fund (IMF) programme which Zambia was following. Similar riots hit Zambia again this year.

This is not to say that Zambia, and other developing countries, as well as the international development advisers, did not make policy errors in responding to the debt crisis. But everyone recognizes that even with vastly improved policies, the combined commodity price collapse and the debt crunch were so severe that widespread hardship and deprivation would have been unavoidable.

Key United Nations agencies have therefore led the growing pressure for the reduction of this crippling burden, in the interest of economic growth of most Latin American, African and Asian nations. In 1988 UNCTAD asserted that growth in developing countries could only be restored by reducing the total amount of debt in part through cancellation. This diagnosis was initially resisted by the major creditor countries, but the principle enjoys



broad support now. Milestones along this road included the relief on government debts proposed for poorer countries by the 1988 Toronto summit of the Group of Seven, and the Brady Plan in 1989 for commercial debts.

While both these plans accepted the principle of debt-reduction and cancellation, most people agree that a great deal more remains to be done in practice.

Debt, unfortunately, is only one element of what the U.N. contends is an increasingly hostile international economic environment for most developing countries. Interest rates have remained at high levels, and we are warned that they could go higher. The market prices of most commodity exports of developing countries continue to fall or stagnate, with little prospect of any significant improvement.

In addition to the financial famine caused by falling commodity earnings and debt service payments, developing countries have also had to cope with falling levels of aid, investment and other financial flows. And for several years now, developing countries have been transferring to the richer nations more financial resources than they have been receiving. In 1980, industrialized countries transferred over $30 billion to non-oil-exporting developing countries. But by 1989, the flow had shifted radically in the opposite direction, with developing countries transferring over $36 billion to the industrialized world.

In this period of rising needs in most developing countries, official development assistance from major Western donors has fallen from an already unsatisfactory 0.37 per cent of their gross national product in 1980 to only 0.33 per cent in 1989. This stands in sharp contrast to the commitment made by donors in 1970 to meet the United Nations target of 0.7 per cent.

Even then, this aid has not always promoted development. This is the sober verdict of the World Bank, one of the most important arms of the United Nations, providing finance of around $20 billion a year to developing countries.

The Bank also declared in July that the reduction of poverty has usually been the least important concern of bilateral aid, which is the source of nearly two-thirds of all foreign assistance. Two-thirds of this aid, from 20 major industrialized countries, was "tied aid", designed in part to create business for the donor countrys' industries and exporters, rather than develop industry and manufacturing in developing countries, according to the World Bank.

These points are made in the latest *World Development Report* which argues that the easing of superpower tensions must be translated into a new mobilization for the fight against poverty. The Bank points out that a 10 per cent cut in military spending by countries in the North Atlantic Treaty Organization would enable total aid flows to double by the year 2000 from the 1988 level of $51 billion. There, at last, we would see the rumoured "peace dividend" become a reality. But the Bank goes further to point out that the $56 billion of total aid in 1988 could nearly triple

to $144 billion by the year 2000 if donors put into practice their commitment to the United Nations target for development aid. Such a figure will not seem large in relation to development needs by the end of the century.

However, sufficient resources are only part of the solution. We must also have the right polices, both at the international and domestic levels. For many developing countries, the decade of the 1980s was dominated by structural adjustment policies. Most countries quickly recognized that the major changes taking place in the world economy made it crucial that they undertake far-reaching domestic policy reforms.

As initially conceived, such reforms — generally labelled structural adjustment — would correct price distortions, boost exports and liberalize their economies, leading the affected economies back into sustainable growth. Financial support and policy advice from the IMF and the World Bank would help them stabilize their balance of payments and make the institutional and other reforms needed to halt the deterioration of their economies.

Success in reducing poverty should be the measure of global economic progress in the 1990s.

Barber Conable, President of the World Bank

But the results in many African countries, for example, have shown the false hopes and shortcomings of the original approach to adjustment. There was no "quick fix" that would rapidly restore growth. In fact, there were hidden dangers in this short- and medium-term approach, and United Nations agencies played a crucial role in pointing these out. They were able to do so primarily because of their guiding conception of development as a long-term process.

Because these reforms were too sharply focused at meeting macro-economic targets, social services were badly hit in countries where the population had little access to them to begin with. UNICEF studies showed mounting malnutrition, drops in school attendance and falling household incomes, especially of women, in scores of countries. So it began its now-famous campaign for "adjustment with a human face."

UNICEF took the lead in reminding us all that development cannot occur without healthy, productive people. It argued the moral and the economic case for protecting the vast numbers of poor and vulnerable people in developing countries, rather than seeking short-term financial surpluses in order to service foreign debts.

Investment in human resources is the surest way to achieve and sustain long-term economic growth. This might seem to be a simple, self-evident notion, but it can be lost sight of by hard-pressed experts and planners concentrating on the so-called big economic picture, populated only by figures and statistics.

The agreed international development priority now, as World Bank President Barber Conable said last September, "is reducing poverty. That should be the measure of global economic progress in the 1990s".

Part of the measure of this progress must be the improvement of the status of women. The United Nations has put the political, social and economic progress of women at the core of development concerns since the early 1970s. It declared 1975 as the International Women s Year, and made the 1976-1985 period a Decade for Women. The United Nations Development Fund for Women was set up in 1976. The U.N. established in 1979 the International Training and Research Institute for the Advancement of Women. The U.N. also drew up a Convention on the Elimination of All Forms of Discrimination Against Women which has so far been ratified by 104 countries.

The United Nations estimates that women are responsible for 80 per cent of food production in Africa, 60 per cent in Asia and 40 per cent in Latin America. Yet women are also all too prominent in the statistics of poverty and deprivation. Two-thirds of the illiterate people in the world are women. Maternal mortality rates are also scandalously high in most developing countries. An African woman, for example, has one chance in 21 of dying in childbirth. An Asian woman, one chance in 54. A South American woman one chance in 73. In contrast, a North American woman has one chance in over 6,000.

If the reduction of poverty is to be the main focus for the 1990s, then women must be a high priority. The higher a woman's level of education, the greater are the chances of her children surviving. The higher a mother's income, the less likely are her children to suffer from hunger and malnutrition. Poverty-reduction and the advancement of

women are, therefore, at the core of the development agenda for the 1990s.

But probably the greatest shared international concern at the moment is one which affects everyone: the environment, and the growing recognition of its link to development.

At one end of the scale, there are the developed countries whose industries are responsible for acid rain, for most of the gases which are depleting the ozone layer and warming the globe, and for 90 per cent of the hazardous waste in the world.

At the other end of the scale, developing countries, compelled by immediate economic needs, are cutting down vast stretches of forest and other vegetation, and depleting their natural resources. The U.N. Environment Programme points out that in the absence of corrective action, one-third of the world's productive land will have been turned into barren dust by the year 2000; 40 per cent of the remaining forests will have disappeared; a million species of fauna will have been wiped out; and a billion more people will be competing for increasingly scarce resources. As a result of pollution and the spread of hazardous wastes, the world's climate will have changed, with a set of consequences that could be devastating.

For a number of years now, therefore, the U.N. has actively promoted international agreements which are arresting these suicidal patterns, agreements such as the Montreal Protocol on the emission of ozone-depleting CFCs.

The United Nations system has also begun preparations for an international conference on environment and development to be held in Brazil in 1992. We hope this conference will consolidate the international consensus on linking development and the environment. We also hope the conference will accelerate progress on the practical and corrective developmental measures needed by the world as a whole to protect our environment.

I have deliberately kept to the last another area of rapid change taking place across the globe, and one which in the end will have a profound impact on the economic fortunes of developing countries: democratization. We are witnessing today the explosion of energy that has been released by people too long excluded from effective participation in the political process. This is propelling the wave of change that has not only swept Eastern Europe, but is also gaining force in Africa and other parts of the developing world.

We know that information plays a crucial role in the pace of economic and social change. Unfettered communications, the free flow of information among people, in the villages, in the workplace, in the community, is crucial to change and to development. If we accept that the direct participation of people is essential to their own development, then we must also recognize that such participation will not be possible if people are denied the means to express themselves, to share information, experiences and ideas. If they cannot learn what is going on in their own country, in their region, or in the rest of the world; if they cannot openly and freely discuss and formulate strategies to strengthen their economies and improve their lives, then change will be slow, with limited participation, and with benefits for only a few.

No shortage of potential solutions

That is one reason why we must not lose sight of the advances that have been made in communications in recent decades, despite the crises and setbacks. The impressive rise in literacy rates in many developing countries has opened up new horizons to millions of people. This is especially true for newly literate women, who now have a powerful new tool with which to assert their rightful role in social, economic and political affairs. The proliferation of the radio and other electronic media has likewise done much to link people in the most remote villages with the rest of the global community. Such social and technological advances, of course, can only have their fullest impact if there also exists a press that is able to reflect the diverse currents that flow in every society.

If such democratization does take root — and the events of the past year show that it may be closer to reality than we might have imagined — then the prospects for genuine development are not so gloomy after all. Out of crises there often emerge novel solutions. And it is towards finding and working out such solutions that we must

focus our attention.

For the human race continues to be delicately poised, on the brink of leaping into the future, yet overburdened with the ills of the past. We have one foot firmly rooted in solid achievement and the continuing conquest of bold new frontiers. But the other foot is equally rooted in persistent problems which cannot be wished away.

We have looked at some of the issues raised by the crisis of development. We must go forward fully conscious of the fact that it is a scandal for famine to exist in the midst of plenty, for extreme want to co-exist with casual wastefulness. The problems abound, but there is no shortage of potential solutions. We know that things don't have to be this way. Today, we have a unique opportunity to ensure that all our bountiful knowledge and resources are concentrated on building a better world. We at the United Nations are doing our best in supporting peoples and governments to remake the world according to their highest ideals and aspirations. ■

EXCEPTIONAL DEVELOPING COUNTRY ACHIEVEMENTS

Fastest rates of real GNP growth (annual average 1980 - 1988):

China ..... 10.7 %
Botswana ..... 10.2 %
Pakistan ..... 6.3 %

For comparison:

United States ..... 3.3 %
Japan ..... 3.9 %
Federal Rep. of Germany ..... 1.8 %

Rapid sectoral growth (annual average 1980 - 88):

Industry

Botswana ..... 15.1 %
Mauritius ..... 9.0 %
China ..... 12.4 %

Manufacturing

Mauritius ..... 11.4 %
Indonesia ..... 13.1 %

Agriculture

Morocco ..... 6.6 %
Burkina Faso ..... 6.4 %
China ..... 6.8 %

Sharp increase in life expectancy:

Indonesia ..... 47 years in 1970 to 61 years in 1988

Steep fall in under-5 mortality rate:

Colombia ..... from 135 per 1,000 in 1965 to 42 per 1,000 in 1985

Rapid progress in education:

Zimbabwe ..... In 1980, less than half of primary school-aged children were in school. By 1985, the figure was 100% enrolment, with 75% completing. Government devoted 22% of budget to education (more than defence and health combined), which was fifth highest percentage in the world.

Source: World Bank, United Nations Development Programme

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